A Summary of the Bureau of Reclamation Stakeholder Dialogue Sessions on Strategic Goals and Performance Measures

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EXECUTIVE SUMMARY:

During spring of 2002, the U.S. Bureau of Reclamation held a series of stakeholder dialogue sessions to obtain feedback on its strategic goals and measures. This effort was undertaken as part of a larger Department of Interior effort to create a Department-wide strategic plan. The Department tasked the bureaus with creating common goals and measures representing the Administration's and Department's priorities and key indicators of success while also reflecting the unique missions and priorities of the individual bureaus.

Although the Department of Interior had conducted stakeholder dialogue sessions in the fall of 2001, only a few of these stakeholders in attendance represented the unique interests of Reclamation's western water and power users and other stakeholders. Reclamation felt strongly that its unique mission and western focus warranted more in-depth dialogue session on its role as a major water resource management agency in the seventeen western states. As a result, Reclamation held three stakeholder sessions in Denver, Washington, D.C., and Sacramento. The majority of the dialogue sessions were focused on obtaining stakeholder perspectives on Reclamation's outcome goals – the primary results the bureau should work to achieve. Although the discussions covered numerous topics, a few key themes emerged as described below:

THEMES:

- **Growth of the Water Supply**
- **Increasing Efficiency of the Current System**
- **The Environment: a Third Lane on the BOR Highway?**
- **Reclamation's Role in Defining the "Hydrological Regime"**
- **The Allocation Process: Working with the States**
- **Meeting Demand vs. Optimizing Supplies**
- **Indian Communities: Trust and Treaty Responsibilities**
- **Cost Efficiencies: Maximizing Resources**
- **Reclamation's Increased Role in Recreation**
- **Changing World – Focus on Security**
- **Collaborative Efforts in Water Quality**

Each of the above themes is described in detail in the body of the document. The stakeholders have also provided feedback on the stakeholder dialogue sessions that will be described in more detail as well.

Reclamation has found the stakeholder meetings to be informative and is working to address and incorporate stakeholder feedback as part of the Department's continuing goal development and comment process. The Department's current strategic planning schedule calls for draft proposed goals to be released for public comment in September. In the interim, Reclamation will determine which of the Department's goals apply to the bureau, develop its own

draft strategic plan and goals, and put a draft on the Internet for final comment. Stakeholders should check the site frequently for the latest updates at http://www.usbr.gov/gpra/StratPlan03-08.htm.

Introduction

Reclamation's Mission

The United States Bureau of Reclamation has a tough job: "to manage, develop, and protect water and related sources in an environmentally and economically sound manner in the interest of the American public." The conflicting nature of Reclamation's work is abundantly clear in the very mission statement that guides the organization. Reclamation is charged to *manage and develop* water resources and *protect* water resources at the same time in the interest of the American public. However, the American public can be completely divided on the issues. Some of the American public requires more water resources for commercial and agricultural uses, and some of the American public requires more water resources for non-consumptive use and to address environmental needs. Reclamation is challenged to meet the needs of its project beneficiaries – mostly water and power customers – as defined in contracts while also considering the other competing water needs. Moreover, it must do this with a limited water supply.

The Strategic Plan

As required by the Government, Performance and Results Act, Reclamation is developing an updated strategic plan. The purpose of the strategic plan is to communicate to internal and external stakeholders Reclamation mission, priorities, goals and measures of success. This strategic planning process is being conducted under a Department-wide process to create one comprehensive performance plan for the Department of Interior. The Department's plan will contain goals and performance indicators that measure that major outcomes or results to be achieved by the Department and its bureaus. Some of the goals will be met through the efforts of a number of bureaus while others may be bureau-specific. As a result, a number of the goals in Reclamation's plan will be represented in the Department's strategic plan and vice a versus. Reclamation is working closely with the Department on development its goals, especially those water and power goals that accomplished almost exclusively by Reclamation.

Stakeholder Sessions

To capture all of the different points of view and all the competing needs that must be addressed within the Bureau of Reclamation's Strategic Plan, Reclamation conducted a series of stakeholder dialogues. Stakeholders and stakeholder organizations are in a unique position to provide valuable input from their many different perspectives, providing feedback and performance indicators, raising important issues and highlighting specific concerns regarding the Bureau's management of the natural resources.

The Performance Institute was contracted to assist in the development of performance measures and facilitation of dialogue sessions for the Bureau of Reclamation. Stakeholder input was gathered over the course of three meetings, the first in Denver, Colorado, the second in Washington, DC, and the third held in Sacramento, California. Each of the dialogues consisted of eight hours of meeting. During the meeting, stakeholders were introduced to Commissioner John Key's overarching goals, the Department's strategic planning effort, and a draft "logic model" of proposed goals. The stakeholders were asked to describe what they believed to be Reclamation's priorities and outcomes (desired results) and to participate in recommending end outcomes, strategies and performance measures that Reclamation should include in its strategic plan. For more information on the logic model, goal definitions and the methodology used, see **Appendix 1.**

This report focuses on the feedback obtained by stakeholders on Reclamation's goal framework for the strategic plan.

Stakeholder Input:

The group of stakeholders who gathered over the course of three dialogue sessions brought with them many different perspectives on Reclamation's role in water management and in meeting their specific needs. Environmental groups, government agencies, recreational, agricultural and business organizations, water and power resource developers, and Indian tribes and communities all participated, and their diversity is represented in the broad range of themes, strategies and concerns presented.

Stakeholders brought a lot of ideas to the table as well. A number of the ideas represented by stakeholders were universal, and there was general agreement on those. Sometimes ideas and concerns conflicted, sparking debate on how best to balance the different needs and priorities. This "healthy debate" was extremely useful to Reclamation in that it generated thoughts, ideas and deeper understanding of needs and was encouraged by not requiring consensus on proposed outcomes and performance measures. As a result, the themes attempt to capture the common or reoccurring ideas discussed, but do not represent group consensus on those issues.

Themes:

Through the course of the meetings, nine overarching themes emerged from the general discussion as areas of particular concern and, in some cases, areas causing creative tension. These are themes that one or more stakeholder groups would like to see addressed into the strategic plan of the Bureau of Reclamation

1. The Focus: Growth of Water Supply

One of the most over-arching themes that emerged from stakeholder conversations over the course of the three meetings was a renewed focus on the core mission of the Bureau of Reclamation, and a more balanced approach to the competing needs. Stakeholders expressed that that they would like to see the Bureau take a lead role in creating new water supplies and expanding current project capabilities to address current needs and the growing demand. In addition, emphasis was placed on he needs of the agricultural communities as the primary contractors of Reclamation's water. Rapid population growth in the west is creating some difficult situations as developers try to anticipate and plan for sustainable growth of communities and construction, and water resources play a critical role in any development strategy. Events like drought and, in some areas, over allocated water supply, exacerbate growth issues.

Both responding to present demands and anticipating future requirements will be critical to development efforts and important for the Bureau if it is to manage water resources effectively within these growing western populations and communities.

Stakeholders did acknowledge the tremendous balancing act involved in trying to manage the many different demands placed on the limited water resources, and they encouraged the Bureau to develop an effective transparent management policy and framework to weigh the priorities and ensure sufficient and appropriate response and representation in each area of the mission is sufficiently represented and responded to.

2. **Increasing Efficiency of the Current System**

To increase efficiency of the current system, stakeholders recognized the need for replacement and rehabilitation of older facilities and for associated financing. They also identified the continued need for water conservation projects, i.e., recycling, efficiency of use, as ways to reduce system losses and to wring the most water out of the existing infrastructure.

3. The Environment: a Third Lane on the BOR Highway?

There was significant debate as to how exactly the environment and environmental goals and concerns should be incorporated into the Bureau of Reclamation's core mission. And although stakeholders never reached a final consensus on the issue, it was definitely one of the prominent themes of the dialogues.

The Commissioner for the Bureau of Reclamation has laid out a clear vision of the Bureau's mission, describing it in terms of a two-lane highway. One lane represents the focus on delivery of water resources. The other lane represents the focus on delivery of power resources. These two make up the core and focus of the Bureau's mission.

Some stakeholders felt that the environment should be considered a third lane on the Bureau Highway, incorporating environmental goals, concerns and issues with the very core of the Bureau mission.

Other stakeholders felt that environmental concerns did not belong in the core of the Bureau's mission, and should be dealt with as an impact of project operations as they relate to legal requirements, additional benefits and local conditions. There was no agreement as to whether delivering water for environmental purposes should be a third lane on the highway, defining the Bureau's mission.

Regardless of whether or not environmental issues and goals are included as a lane on the Bureau Highway, stakeholders agreed that addressing environmental impacts are important and need to be considered by the Bureau as part of their management of water and power facilities and addressed within the strategic plan.

4. Reclamation's Role in Defining the Appropriate Hydrologic Regime

One of the most difficult issues that stakeholders attempted to tackle through the course of the three meetings was the concept of the "appropriate hydrologic regime." The Performance Institute presented to stakeholders a proposed outcome goal that would measure Reclamation's ability to deliver water to meet an "appropriate" hydrological regime defined through a collaborative process. The regime would specify criteria such as timing, flows, quality that Reclamation would have to meet through its water deliveries. Stakeholders were asked to comment on the feasibility and appropriateness of the outcome goal.

In each of the three meetings the concept inspired different reactions:

In Denver, stakeholders expressed concern. Foremost, they had different definitions of the what an "appropriate regime" meant and concluded that it could not be easily defined nor did they think a potential regime be agreed upon. Therefore they did not think it was suited to be a specific goal for the Bureau's strategic plan.

In Washington, DC, stakeholders were more open to the overall concept. They agreed generally that the "appropriate hydrologic regime" *could* be defined and

used to measure Reclamation's role in providing water for non-consumptive, environmental purposes.

In Sacramento, the "appropriate hydrological regime" was met with skepticism. The majority of stakeholders representing water and power interests felt that holding the bureau accountable for delivering water to meet an appropriate hydrological regime was ***inappropriate*** because, in most cases, the regime was determine through state water rights and plans. Also, Reclamation's primary purpose was to meet its contracts – not a larger regime. Reclamation would therefore be limited in its ability to both define the regime and meet it. Other stakeholders representing the environmental interests felt that it was Reclamation's role to work with federal, state, and local entities to provide water to meet, non-consumptive, environmental needs and that the proposed goal may measure those efforts.

5. The Allocation Process: Working With the States

Throughout the dialogue sessions, there was recognition that the states play a major role in the allocation of water. As such, stakeholders commented the that they would like to see the Bureau of Reclamation work more closely with the states and other local governments. States and local government often have significant knowledge of the geographic, political and policy situations, and, in many cases, are well equipped to determine water needs and solutions because they have the legal authority to determine the water rights and allocations.

Stakeholders often work more closely with the state and local governments as well, so they believe their interests and concerns are addressed there, and they would like to see the Bureau work in tandem with those efforts that are already underway rather than supercede processes that may be going on.

6. Meeting Demand vs. Optimizing Supplies: The Difficulty in Measuring Success

Stakeholders struggled with the best way to measure Reclamation's primary mission to deliver water and power. Some stakeholders suggested that part of Reclamation's mission was to play a major role in meeting the needs and demands for water in the west. Others commented that Reclamation's authorities and contracts limit their role as one of delivering the water available to meet their contracts with customers, as designated in project authorizations. Reclamation also provides water to meet other legal requirements and needs. Because Reclamation is working with a limited resource, stakeholders recognized that is most likely they will not be able to meet every demand made.
Given that reality, stakeholders exchanged many ideas for specific ways to measure success in "meeting demand," but each of the specific measures that

were offered seemed to go beyond Reclamation's authorities or did not provide useful information. Ideas were then discussed on how best to measure Reclamation's management or optimization of the water that is available. Optimization included delivering the water on time and in the amounts requested under contracts or to meet specific biological needs as defined through agreements, biological opinions and the like. Many discussed the usefulness of "customer satisfaction" as a measure of success.

Stakeholders stressed that increased efficiencies to optimize the water supply must be accompanied by a thorough evaluation and understanding of environmental and other considerations because there are often unintended consequences of "wasting" water. For example, certain species of fish depend on water that is "wasted" by energy plants releasing it into the river. Certain water tables depend on water that is "wasted" by soaking into the ground through the beds of canals and other channels.

7. Indian Communities: Trust and Treaty Responsibilities

The Bureau of Reclamation has a great deal of responsibility dealing with Indian tribes and communities, delivering water to meet tribal water rights, helping manage the water resources, and administering certain Indian Trust and treaty responsibilities on behalf of the Department of the Interior. Stakeholders identified this as an important theme of the work related to the Bureau's mission.

Because Indian communities have unique arrangements and unique situations that require involvement on a case-by-case basis, it becomes difficult to make more sweeping management or policy decisions that relate to them. The Bureau must be diligent in managing resources with the many specific and unique situations that the tribes and communities face.

8. *Cost Efficiencies:* Maximizing *Resources*

These two items are not necessarily the same. Cost efficiencies address keeping the cost of delivering water and power low. Maximizing the resource means stretching the use of water, which could actually increase costs if new technologies, such as salinity reduction projects, are implemented. Maximizing the Water Resource seems better suited with optimization or on its own under Theme #1.

Stakeholders expressed their desires to receive low cost water and power from Reclamation projects. To meet these needs, Reclamation must continue to evaluate its operation and maintenance costs and look for ways to increase efficiencies.

8. Recreation: Defining Reclamation's Role

There are more than 300 recreation areas totaling 8.6 million acres of land associated with Reclamation project land and waters. These areas provide recreational opportunities such as boating, fishing, swimming, hiking, biking, and picnicking among other activities. In the Federal Water Project Recreation Act, Public Law 89-72 as amended by 102-575, gave Reclamation the authority to contract with Federal, state and local partners to manage its recreational facilities. Although recreation is not one of Reclamation's traditional missions, it has become an important and popular benefit at many of its projects. Management of these areas to ensure that they are safe and offer recreational opportunities such as – fishing, boating, swimming, picnicking and camping is Reclamation's or its partners responsibility

Additionally, the Bureau manages many of the water resources that are used specifically for recreational purposes such as whitewater rafting, kayaking and fishing.

Stakeholders expressed that the Bureau should define their role in the managing recreational areas, ensuring safety and security of these areas, providing additional recreational opportunities. Recreational activity is a growing and important part of American life, and it is also becoming an increasingly significant business industry, and stakeholders expressed that the Bureau should be a primary partner in this area.

9. Security: Responding to a New World

As is no surprise, security emerged as an important theme as well. In light of recent events, especially the devastating attacks of September 11, security has become a high priority for many people, including the stakeholders at the Bureau of Reclamation stakeholder dialogues.

The Bureau manages a number of potential targets for terrorist or other types of attacks – from dams and pipelines to drinking water sources for entire cities and communities, and stakeholders expressed that the Bureau should address security in its strategic plan to ensure that they are doing everything that can be done to protect such large, vulnerable, and important targets.

Summary
Addressing all of the competing interests into realistic, useful goals was challenging for stakeholders during the dialogues; incorporating the competing demands into a comprehensive strategic plan and into the real-life implementation of strategy will continue to be an important challenge for the Bureau of Reclamation.

Other Observations:

Water Quality

- Stakeholders expressed increasing concern about water quality, i.e., standards for reservoirs, economic impacts, etc. M&I users, in particular, expressed concern about the cost of treating water from our projects to meet drinking water standards. There was no agreement in how to measure Reclamation's role in water quality. Most seem to understand Reclamation is not at fault; however, they would like to see us more proactive and collaborative in finding solutions to water quality issues.

Feedback Concerning the Contractor

- Stakeholders expressed concern that the contractor was often leading the discussion in a direction he wanted. Some also expressed distrust and resentment, especially during discussion of topics such as the water allocation issue, appropriate hydrologic regime, and environmental footprint. They expressed concern that the contractor only accepted stakeholder remarks that supported his position and his opinion about what our goals, strategies and performance indicators should be.

The following quote, written by a stakeholder who attended one of the meetings, is representative of the feelings expressed by a number of attendees, "As for the meeting, I (as well as many of the other stakeholders in the audience) found the process frustrating and not very meaningful. While there was a court stenographer at the meeting to record all of the input given, audience comments at the session were often ignored or rejected. Considering the importance of the topic, the amount of time for input was very limited (eight hours over a two-day period). The limited time available may have been the reason the facilitator appeared to have a set agenda and was more often leading the discussion rather than facilitating. We finished each day right at the scheduled completion time, if that is any indication."

Appendix 1 – Meeting Notes

During the dialogue sessions, stakeholders identified priorities, end outcomes (desired results) and performance measures for the Reclamation to consider in forming its program and its strategic plan. The following are the list of ideas generated at the sessions:

1. EFFECTIVE WATER MANAGEMENT (effective water distribution)
    - Water resources: Proper allocation of water resources – compliance with state law consistent with federal obligations and contracts
        - Develop project specific water shortage policies that would define how reclamation would allocate water among and within authorized Project purposes under various hydrologic conditions
        - Percent of judgments against BOR
        - Percent of storage space filled
        - Total aggregate acre feet delivered (release vs. returned flows)
        - Percentage of time (potentially acre feet lost) shortages are imposed on a authorized project purpose
        - Percent of contracted acre feet delivered (perhaps tied to requests)
        - Percentage of water that is released beyond legal requirement (acre feet of operational loss)
        - Yield – total increase in yield vs. computed yield
        - Percent of time that projects achieve targeted carry over storage
    - Ensuring appropriate allocation of water (where discretion exists)
    - Sustainability of water resources for the entire west.
    - Respect the ownership of water
    - Enhance certainty of water delivery
    - Enhance timeliness of water delivery

2. INCREASED WATER SUPPLY

    - Add to existing sources
    - To ensure a dependable supply of water resources
    - Reclaim and recycle
    - Develop new sources of water (management and pricing incentives), e.g. waterbanking
    - Efficiency of distribution (transportation, conveyance and access to facilities/having the right facilities)

- Support conservation/efficiency of use
- Multiple use of water
    i. Number of cost share contracts with water conservation
    ii. Percent of projects achieved head gate program (switch to One)
    iii. Acre feet of new supply annually
    iv. Increase in acre feet of water conserved
    v. Increase in acre feet of water recycled/reclaimed
    vi. Increase in the efficiency of delivery – conveyance losses in bureau/contractor systems

3. WATER QUALITY
    - Meet or exceed legal standards for water quality all its uses (drinking, agriculture, fish wildlife)
    - Minimize impact
    - Partner with contractors to ensure 31 million people have water quality that meets EPA standards
    - Promote overall water quality, within legal authority, by minimizing impacts, fostering partnerships, supporting good research and practicing good management
        1. Benchmarking salinity in key systems(tons of salt, reduce in delivery to customers)
        2. Bromide or organic carbons
        3. Minimizing violations of state water quality mandates

4. GENERATE POWER SUPPLY:
    - Reliability
    - Low Cost
    - CROD. Contracted Rate of Delivery (timeliness, capacity)
    - Availability
    - Linkage between power generation and water transfer (non project)
    - Optimize water operations and power generation (efficiency of units and optimal dispatch)
    - Balance with water delivery and environmental requirements
        1. Violations of WECC standards
        2. Kilowatt hours per acre foot available (measure of efficiency of generators)
        3. Percent of kilowatt hours delivered per contract agreed delivery
        4. $ value added of energy delivered
        5. Availability of units at peak times
        6. Forced outage rate
        7. Increase amount of power available to transfer non-project water

8. Industry benchmarking, cost per kilowatt generated; forced outage, scheduled outage; comparable systems/plants

5. ACHIEVE COST EFFICIENCIES:
   - Project water that is affordable
   - Reliable, sustainable and cost effective water and power supply (risk management)
   - Cost control in A&G OMR
   - Allocate the costs fairly and openly
   - Understanding all costs and their implications
   - Proper and timely accounting explanation of costs to contractors
     1. Percentage of annual budget that is reallocated towards (measure of effective forecasting)
     2. Cost per acre foot delivered
     3. Rate of increase of O&M expense is not to exceed local inflation rate.

6. PROTECT ENVIRONMENT: (Pursuant to federal/state environmental laws to support reliable project operations)
   - Historic preservation (archeological sites)
   - Groundwater, air quality, water quality
   - Minimize or mitigate impact of environmental protection actions on project operations
   - Avoiding/Removing jeopardy to threatened and endangered species
   - Improving habitat for listed and candidate species in return for regulatory commitments (No good deed goes un-rewarded)
   - Sound peer reviewed research to ensure sound science – Research monitoring and evaluation programs are designed and used for decision making.
   - Participate in process defining of appropriate hydrologic regime
     i. Definition historic vs. contracted regime
     ii. Under the authority and contracts of BOR and within compliance of state law; also regarding responsibility of other parties
     iii. Negotiated depended on today's situation
     iv. Maximizing long term beneficial use of water
   - Pro-activity where the agency has discretion in order to anticipate future problems and avoid them, thus maintaining ability to perform mission of water and power.
     1. Reductions in number of adverse judgments against BOR

2. Number of successes in developing partnerships with the environment
3. Percent of projects compliant with federal/state laws
4. Increase the amount of environmental water captured for project purposes.
5. Decrease reduction in delivery restraints

7. FORGE PARTNERSHIP S
   - Effective partnerships
   - Empowering local and regional water management
   - Transfer of ownership/operation of facilities to local entities
   - Customer centered
   - Eliminate surprises (increase consultation and outreach)
   - Proactive partnerships on projects
   - Good auspices role in disputes
   - Tangible performance achieved through partnerships
     1. Increase Customer satisfaction
     2. Reduce litigation
     3. Number of comment letters (example of an activity that would be conducted)
     4. Develop additional partnerships with contractors to deal with business and operational issues –
     5. Recognition of awards or incentives that are attained through partnerships.

8. ENSURE SECURITY/SAFETY:
   - Security of facilities
   - Security of system
   - Flood control

   - Security of product (water contamination)
     1. Reduction in flood damage(FEMA estimates)
     2. No BOR-induced public health disasters
     3. Percentage of public confidence in BOR
     4. Facility condition Index

9. EFFECTIVE ASSET MANAGEMENT
   - Maintenance of facilities, asset management
   - Replacement and rehabilitation of older facilities, how to finance.
   - Adequate planning and communication with stakeholders
   - Financial solvency/affordability of project
     1. Facility condition index
     2. Percentage of contractors that have obtained ability to pay relief
     3. Percentage increase in annual O&M assessment
     4. Percentage of facilities transferred to local entities

10. EFFECTIVE ORGANIZATIONAL MANAGEMENT
    - Succession planning for employees
    - Effective use of IT
    - Improved Sourcing management
    - Improved Financial Management
    - Improved Performance based Budgeting
    - Improved Human Capitol planning
        1. Employee morale satisfaction?
        2. Retirement of BOR employees early (lack of retention)

End Outcomes:

End outcomes are the ultimate goals of the Bureau of Reclamation. Outcomes represent the impacts, effects and results that Reclamation aims to achieve. Stakeholders identified seven end outcomes in the course of the dialogues that they felt should be included in the Bureau's strategic vision and strategic plan. Those end outcomes that they offered are as follows:

1. Increased Water Production and Delivery

2. Increased Efficiency to Acres Served

3. Balance Between Consumptive and Non-Consumptive Use of Water

4. Maximized Production and Delivery of Power

5. Enhanced Environmental Conditions

6. Enhanced Recreational Conditions

7. Enhanced Public Confidence and Participation in BOR Activities

Intermediate Outcomes:

In order to achieve an end outcome, you need a strategy. Through the course of conversation and the ongoing dialogue, stakeholders proposed numerous strategies for achieving the specific end outcomes that they identified. Interestingly, many of the strategies put forth serve two or more outcomes reflecting the intertwined nature of the issues. And in some cases, the strategies seem to conflict, reflecting the opposing nature of some of the outcomes. For example, "Improved Environmental Conditions" and "Maximized Production and Delivery of Power" potentially are divergent end outcomes, and the strategies that support them may conflict as well.

Stakeholders identified a host of strategies to support many of the mission areas that the Bureau manages:

Policy & Procedures:

- Be more flexible in re-operating projects
- Ensure that BOR complies with laws, which in turn assists BOR in avoiding lawsuits and court action over the Bureau's actions
- Examine how sale of BOR projects could be beneficial to the Bureau and the public
- Move BOR water management policies and standards towards market value for water (stakeholders disagree among themselves on this strategy)
- Improve completion success of projects
- Implement water marketing
- Implement more efficient and effective water rights transfer
- Streamline processes throughout programs

Water Management:

- Develop and Utilize a Land/Water Use Report:
    - Agriculture
    - Power
    - Economic return
    - Measure of cost per acre foot delivered
- Improve planning for drought and other emergencies
- Develop reliable water accounting system (multi-state assessment/ treaty assessment) for BOR-managed water
- In partnership w/ states, develop accounting system for all water in west
- Improve timeliness and efficiency of water delivery (taking into account environmental considerations – habitat sustainability)
- Improve monitoring to ensure water quality
- Monitor/measure water quality in order to ensure proper management
- Utilize data that already exists
- Watershed Management:
    - Ensure BOR leadership and involvement in assessments, management
    - Facilitate voluntary partnerships within watershed
    - Measure the # of watershed management projects
    - Measure the % of projects with measurable improvements to water quality/ conservation
- Water Re-Use/Recycling:
    - Conduct public education
    - Implement innovative technologies/treatments
    - Develop and implement comprehensive conservation strategy

Power Management:

- Shape water releases to minimize negative impact on fisheries
- Increase efficiency of generators
- Fund/implement energy conservation plans/ strategies within BOR facilities
- Work with contractors to schedule power needs to maximize efficiency – demand management

Collaboration/Community:

- Develop partnerships – work w/ states to identify and address unmet needs
- Conduct more extensive outreach to public to ensure that the mobilized minority does not supercede the needs and concerns of the silent majority
- Work in partnership with states and local government to provide security for infrastructure and members of surrounding communities
- In partnership w/ states, develop accounting system for all water in west
- Create more equal treatment of partners within BOR partnerships
- Conduct more proactive (even) consultation with tribes
- Facilitate more effective collaboration with sister agencies
- Improve education/information for constituency

Environment:

- Improve cost-effective voluntary conservation
- Improve timeliness and efficiency of water delivery (taking into account environmental considerations – habitat sustainability)
- Follow/comply with federal and state water quality standards where they exist
- Ensure that proper flow is met to ensure water and habitat quality

Infrastructure & Security:

- Maintain existing infrastructure, plan and develop new infrastructure
- Provide security for infrastructure
- Work in partnership with states and local governments to provide security
- Conduct cost/benefit analysis on facilities
- Build More/Less storage capacity based on needs
- Develop facility condition index
- Efficiency improvements:
    - Reduce conveyance losses
    - Improve scheduling and operations to improve timeliness/ efficiency
    - Reduce administrative losses

Science and Technology:

- Water banking, pilots/testing
- Model hydrologic behavior on more extensive/complete data – improve modeling capacity

- Improve technologies for water delivery and conservation
- Improve monitoring to ensure water quality:
    - Skilled staff
    - Flow rate data – stream gauging
    - Ecological health monitoring
    - Demand modeling
- Multiple Use:
    - Advancing knowledge – scientific improvements
    - Return flows
- Monitor/measure water quality in order to ensure proper management
- Utilize data that already exists

Recreation:

- Develop/implement a comprehensive recreation strategic plan for BOR
- Partner with states and others who provide recreation facilities/activities
- Develop revenue stream via recreation
- Implement effective security/law enforcement

MEASURES:

Through the course of the dialogue, stakeholders identified a host of specific performance measures as well that they felt would accurately guide and measure Reclamation's success in reaching its goals.

WATER:

- Reduction in unmet demands:
    - Measure % days where requests within contracted amounts are met (factor in water availability)
        - Municipal
            - Measure the % water available for new housing/growth
            - Measure the % demands met for water taps
            - Measure the % demands met during drought or time of crisis
        - Agricultural
            - Measure the # acres irrigated
        - Industrial
        - Non-Consumptive
            - Measure the # stabilized or increased populations of native species at mouths of BOR rivers
        - Indian Rights

Percentage of purposes met:

- Municipal
  - Peak demand – measure % of time that demand is met
  - Contracted rate – measure % supplied
- Industrial
  - Contracted rate – measure % supplied
- Agricultural
  - Contracted rate – measure % supplied – meet, not exceed contract rate
- Non-consumptive
  - energy
  - environmental
    - Measure habitat preservation/ restoration
    - Measure species sustainability
- Indian
  - meet demands – measure % of time those needs are met

Optimization of available water supply:

- Measurement for determining existing vs. future needs
- Customer satisfaction survey to determine subjective result

Non-Project Water:

- Utilizing BOR facilities, measure increase in # acre feet stored/conveyed
- Measure capacity
- Measure % of requested non-project water
- Measure % of time a measure is relevant, but not complete
- Measure customer satisfaction
- Measurements for timing issues

Rural Water:

- Measure affordability
- Measures to ensure social justice – equal treatment/ access/quality

Environment:

- Survival and enhancement of fish and other species
  - Measure the passage of fish
- Habitat maintenance
- Water quality
- Hydrologic regime
  - Measure flows
  - Measure temperatures
  - Measure the acre feet/quantity
  - Measure the air quality related to pm10

Safety/Flooding:

- Measure flood damages prevented
- Measure property damaged and life lost
- Measure man hours worked/accidents per man hour

Recreation:

- Measure user days for recreational facilities/activities
- Measure user satisfaction (customer satisfaction more valid measure than user days – not as many outside variables)
- Measures should be inclusive of downstream/down river recreational activities that are affected by Bureau

Title Transfer:

- Measure time it takes to get through the Bureau process (taking into account quality issues and stakeholder concerns)

Collaboration:

- Measure customer satisfaction
- Measure how many projects BOR completed, and how many were completed on schedule

Cost Efficiency:

- Measure system reliability
- Measure financial impact of system failures
- Measure total days of demand vs. total days of operation – establish ratio
- Measure against a benchmark, established looking at similar system
- Measure with bond rating-type system, project specific
    - overall objectives of project met
    - safe
    - reliable
    - environmentally responsible

Hydrologic Regime:

- Measure water quality

Serving Communities:

- Safety/Dams, Flooding:
    - Implement and measure effectiveness of adequate early warning systems
    - Measure loss of property, life
    - Measure # days of flooding
    - Measure damage to facilities themselves

POWER:

- Measure the # KWH not falling in contract rate of delivery
- Measure the total KWH produced
- Measure the % of time that capacity is available (forced outage to be considered)
- Measure KWH per acre foot available (available within appropriate hydrologic regime)
- Measure the ratio of kwh to acre feet through facility (can fluctuate annually)
- Measure the % kwh delivered to meet load
- Measure the repayment of federal investment (to pay for project) – measure % repaid
- Measure the % of system name plate capacity that is achieved, actual vs. available generation
- Measure the number of fish as they pass power generating infrastructure (measure fish mortality rate)
- Measure the amount of time down due to forced outages

Science and Technology:

- Measure number of tech users and effectiveness
- Measure customer/user satisfaction
- Measure improvements/innovations that improve quality
- Measure numbers of external users and partners
- Measure dollars dedicated to science and technology

APPENDIX 2

The Performance Institute's Methodology

The Performance Institute is a private think tank that serves as the nation's leading authority and repository on performance-based management practices for government agencies. The Institute has worked in almost every mission area addressed by government, assisting in the development of organizational strategy, restructuring of program structures, and the implementation of effective performance management systems.

The Institute uses a comprehensive methodology specifically constructed to address the complex management realities faced by government agencies. The methodology features two frameworks: *The Strategic Logic Model* which maps the issue environment faced by a program as well as the strategic rationale behind specific program activities and *The "SMART" Performance Measurement Criteria* which guides in the development of performance measurements and the selection of data sources for evaluating program effectiveness. When linked together, this two-phase framework provides a solid foundation for the creation and implementation of a fully operational "performance management system" for government programs.

In its analysis of government performance issues and formulation of its recommendations for management improvement, the Institute mixes its internal expertise in strategic and performance management practices with the views of internal program managers and external stakeholder representatives. As such, throughout the course of a project, the Institute facilitates several planning and discussion sessions with internal program managers and convenes "Performance Dialogues" with external program stakeholders. The Institute includes a broad range of stakeholders in the Dialogues, including representatives from interest groups, the legislature, program clients, program partners at all levels of government, academia, and in some cases, the general public.

The Strategic Logic Model: Mapping Program Strategy and Setting Course

The Institute's Strategic Logic Model framework begins with a Strategic Issue Assessment that maps the rationale behind a government program clarifying statutory mission, outcome goals, strategies, program activities and resource allocation considerations. The Assessment uses a top-down, sequential approach to analyzing issues faced by a government program with the objective of evaluating and identifying the most potent strategies and activities the program can undertake to achieve desired results. The Assessment often requires a mix of issue research, program evaluations, best practice analysis, and scenario

modeling. The Strategic Issue Assessment forms the foundation of a programs "strategic plan" and plays a major role in policy formulation and justification.

Strategic Issue Assessment Model

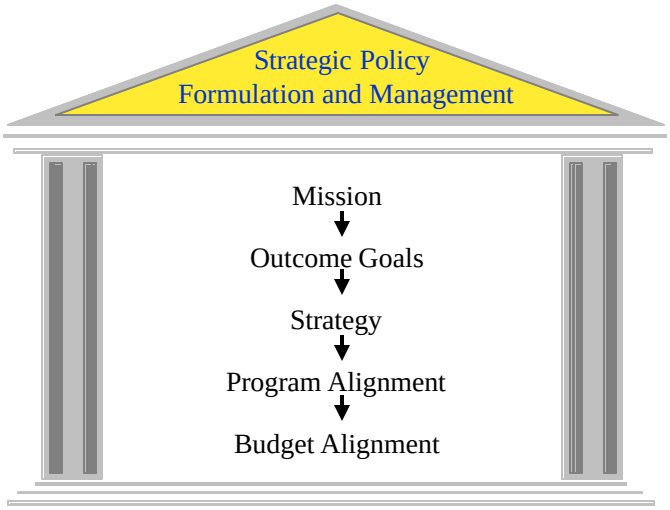

Figure One

After the Strategic Issue Assessment is complete, the Institute creates a "Strategic Performance Logic Model" that maps the various goals, strategies and activities outlined strategic plan in measurable ways. The Strategic Performance Logic Model allows for the management of the program as a whole, demonstrating the relationship and synergies among various program activities and allowing for on-going evaluation of not only management issues, but also program policies and strategies…and eventually end-outcome results. As such, the Strategic Performance Logic Model contains only the most important and indicative performance measures of the program.

When employed and examined as a whole, the Strategic Performance Logic Model "tells the story of the program" and provides impetus to support various budgetary and programmatic initiatives key to achieving the goals of the program. The Logic Model establishes performance measures in a way that they act like stepping stones, keeping the program on track, on time, and on budget. It is the Strategic Performance Logic Model that represents a government program in the aggregate, big-picture sense and is most widely used and understood by policymakers and program stakeholders in an oversight capacity judge the success of the program at each step of implementation.

The Strategic Performance Logic Model is based on four primary components: End Outcomes, Intermediate Outcomes, Outputs and Inputs. Working backwards from the end outcomes, the model enables the program to not only

report whether results (End Outcomes) are being achieved long term, but also demonstrate progress in executing various strategies (Intermediate Outcomes) through specific program activities (Outputs) and budgetary decisions (Inputs).

The Strategic Performance Logic Model

Inputs	Outputs	Intermediate Outcomes	End Outcomes
"Amount of resources devoted to a program activity"	"Tabulation, calculation, or recording of activity or effort, expressed in a quantitative or qualitative manner."	"Direct influences and impacts that the outputs of an agency have on short-term, leading indicators. These can be seen in changes in 1) Attitudes 2) Behaviors 3) Conditions"	"Assessment of the results of a program activity compared to its intended purpose."

The SMART Performance Measurement Criteria: Measures that are Meaningful

Once the Strategic Performance Logic Model is constructed, a more detailed and activity-oriented performance measurement system must be devised for day-to-day management purposes. The inherent difficulty in developing and implementing any system of performance measures is ensuring that an organization is measuring the right things, and is measuring them in verifiable and valid ways. In the past, government programs have selected performance measurements that are too process and activity-oriented, are not reported in standardized or verifiable ways, or impose heavy data collection and reporting burdens on the "front line" managers without providing significant insight for management decisions.

In assisting government programs with the development of a comprehensive set of performance measures, the Institute uses the "SMART" Performance Measurement Criteria. The SMART Criteria are used to determine the usefulness, validity and accuracy of the performance measures to be used by the program at all levels.

The "SMART" Performance Measurement Criteria state that in order for a performance measure to be effective, it has to be:

1. Specific
   The performance measure has to indicate exactly what result is expected so that the performance can be judged accurately. The specificity of the measure is aided by clear definitions and standards for data collection, standardization and reporting across program lines and among program employees involved in use of the measurement.

2. Measurable
   The intended result has to be something that can be measured and reported in quantitative and/or clear qualitative terms. This characteristic is achieved when programs set numeric targets or employ an evaluative approach that can ascertain in a definitive manner whether performance expectations have been met.

3. Accountable
   The performance measure has to be "owned" by a specific program line or employee base to the degree that someone, or some group, is held accountable for the performance measure to ensure that the results are indeed produced. Accountability is more than clarifying who is charged with achieving the result; it requires that management has devised targets based on what reasonably can be produced by the program during a given period of time. Accountability cannot be achieved if targets are unreasonable from the start.

4. Results-oriented
   The performance measure must be aligned to the "Strategic Performance Logic Model" and track an important value or benefit needed to advance the strategies and achieve the end results of the program. A performance measurement meets this test if it 1) measures an end or intermediate outcome or 2) links to another measure already existing within the program that measures an intermediate or end-outcome.

5. Time-bound

The performance measure must set a specific time frame for the results to be produced as well as allow for the reporting of performance in a timely manner. In this case, the program must have measures to provide fresh enough data to be used by management for adjustments in the program and corrective action if necessary.